LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7180 **DATE PREPARED:** Jan 6, 1999
BILL NUMBER: HB 1312 **BILL AMENDED:**

SUBJECT: Reservation preference at state parks.

FISCAL ANALYST: Bernadette Bartlett
PHONE NUMBER: 232-9586

FUNDS AFFECTED: X **GENERAL**
X **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Department of Natural Resources (DNR) to accept reservations from residents of the state for overnight accommodations at campgrounds for 60 days before the Department begins to accept reservations from nonresidents.

Effective Date: July 1, 1999.

Explanation of State Expenditures: The DNR Division of State Parks and Reservoirs accepts campground reservations on March 1 and thereafter. The above proposal would require the Division to either accept reservations from residents on January 1 or accept reservations from nonresidents on May 1.

If the DNR accepts resident reservations on January 1, the DNR will need to hire additional seasonal employees at an estimated cost of $81,000 per year. If the DNR accepts nonresident reservations on May 1, campsite revenue may decrease. (See below.)

The Department currently hires seasonal staff to process campground reservations from March 1 through October. If the Department accepted reservations on January 1, the Department would need to hire seasonal employees in January, or before, to process the requests. State Personnel rules prohibit the employment of intermittent employees for more than 180 working days per year. Hence, the seasonal employees would have to be terminated 180 days after hire or in late summer. Currently, seasonal personnel are used to process reservations through October, and, in late summer and early fall, they are used to help with gate responsibilities and other positions which commonly become vacant in the late season.

Personnel Rules prohibit the Department from refilling a position in which an employee has been laid off. (The Rule applies both to the person and to the position.) The Department would need to establish additional seasonal positions in order to hire the necessary help. An additional 60 days of salary for 25 field locations would cost approximately $81,000 annually (60 days of salary multiplied by 25 locations with one person per location multiplied by 7.5 hours per day multiplied by $6.04 per hour ((plus 19% for fringe benefits)) equals $80,861). Employees hired later in the year would also require training that others received in the spring.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. (As of 11/30/98, the DNR had 1,226 positions that were vacant. However, this total includes both permanent and intermittent employees.) Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The Department could avoid the above costs by accepting nonresident reservations on May 1. However, as explained below, this later option might also have fiscal implications.

Fees generated by state parks and reservoirs provide about 70% of the revenue needed to fund the Division of State Parks and Reservoirs. The remainder is made-up by the State General Fund.

Explanation of State Revenues: Not allowing nonresidents to reserve campsites before May 1 could result in a decrease in the number of nonresident campers because desired campsites might no longer be available after May 1. The lack of availability of desirable campsites might persuade some nonresidents to look elsewhere. The number of nonresidents who would go elsewhere is indeterminable. An estimated 20% of day-only visitors to state parks are nonresidents. A decrease in nonresident visitors may allow for additional in-state visitors which could help offset any loss in revenue due to a decrease in nonresident visitors.

Total camping revenue for Division of State Parks and Reservoirs in fiscal year 1997-1998 equaled $5.4 million. For every 1% drop in camping visitation, the Division loses about $54,000.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources: DNR Division of State Parks and Reservoirs (317) 232-4124.